

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION**

**Call to Order:** By **CHAIRMAN JOHN BRUEGGEMAN**, on February 4, 2003  
at 8:10 A.M., in Room 317-B Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. John Brueggeman, Chairman (R)  
Sen. Rick Laible, Vice Chairman (R)  
Sen. Gregory D. Barkus (R)  
Sen. Mike Cooney (D)  
Rep. Monica Lindeen (D)  
Rep. John Sinrud (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Greg DeWitt, Legislative Branch  
Christi Moyer, OBPP  
Amy Sassano, OBPP  
Misty Shea, Committee Secretary  
Lynn Zanto, Legislative Branch

**Please Note.** These are summary minutes. Testimony and discussion are paraphrased and condensed. Tape stamps indicate information that is found below.

**Committee Business Summary:**

Hearing & Date Posted:	Secretary of State Office and Commissioner of Political Practices, 2/4/2003
Executive Action:	Secretary of State Office, Commissioner of Political Practices, and Chiropractic Legal Panel.

**{Tape: 1; Side: A; Approx. Time Counter: 0 - 30}**

**Greg DeWitt, LFD**, referred the committee to Page A-73 of the Budget Analysis book and said that the Secretary of State's Office is only a proprietary funded program that is working with DOA Accounting Services Bureau to account for everything in the enterprise fund where no rates are approved. He explained that there have been changes in the program and therefore, the rate explanation on Page A-75 no longer applies. He also said that LFD issues such as on Page A-77 are nonapplicable now. He referred to the office's new federal grant for the Help America Vote Act of 2002 that is going to need some appropriation authority for state and federal funds. There is language for committee approval (See Exhibit 1).

**EXHIBIT (jgh24a01)**

**Bob Brown, Secretary of State**, introduced staff: Chief Deputy Secretary of State, Jason Thielman; Chief Legal Counsel Janice Doggett; Deputy of Operations and Business Services Pat Haffey; Elections and Legislative Bureau Deputy, Elaine Graveley; State Records Manager, Lynn Keller; Network Administrator, James Thomas; Administrative Rules Bureau Deputy, Kathy Lubke; and Public Communication and Information Officer, Gayle Shirley. Not present was Mr. Brown's executive assistant.

**Bob Brown** spoke to what Mr. DeWitt had said, and he commented that he thinks proprietary funding is an excellent way to operate a state agency. He credited his predecessor, SEN. COONEY, for the organization. He talked of election reform on the national level having a big impact on the Secretary of State's office and process of elections all over the country.

**Jason Thielman** made a presentation to the committee detailing the Secretary of State's Office functions and demonstrating their budget items and changes. He read from a 16-page distributed handout that showed the function, goals, and accomplishments of: Business Services, Elections, Records Management, Administrative Rules, Information Services, Management Services, the Help America Vote Act, Federal Funds Authorization, Enterprise Funding Model, LFD issues, and Secretary of State expenses and revenue by function (See Exhibit 2). **Mr. Thielman** also expressed thanks to SEN. COONEY for all he had done as Secretary of State. He spoke about new concepts used and other campaigns to increase voter turnout, such as the voter information pamphlet that went on tour this year.

**EXHIBIT (jgh24a02)**

***{Tape: 1; Side: B; Approx. Time Counter: 0 - 11}***

**Mr. Thielman** proceeded with presenting from Page 9 of Exhibit 2. He outlined technology services, the Management Services Bureau, the Help America Vote Act, voting rights, and funding compliance. He stated it is highly unlikely that Montana will receive all it is eligible for in appropriation authorization. The Secretary of State's Office anticipates receiving less than the amounts shown on Page 14 of Exhibit 2. He discussed the Office's enterprise funding put in place by SEN. COONEY, the anticipated cash balance and its use, and contracted services. He explained the bar charts on Pages 15 and 16.

***{Tape: 1; Side: B; Approx. Time Counter: 11 - 30}***

**Questions from Committee Members and Responses:**

**REP. LINDEEN** asked about the cost of the online voter file to the consumer. **Mr. Thielman** answered that it costs four cents per record and he spoke to the safeguards in place so that information cannot be used for marketing. **Janice Doggett** addressed the statutes prohibiting the information to be used for commercial purposes.

**SEN. LAIBLE** and **Mr. Thielman** discussed online payments of services. **Pat Haffey** spoke to the large number of limited liability corporations in Montana in response to a comment made by SEN. LAIBLE.

**SEN. BARKUS** questioned **Mr. Thielman** about election judges trained in the Cheyenne language. He replied that it was done by request and it is a federal law requirement. The language was chosen based on the percentage of people speaking it for their comprehension. **SEN. BARKUS** and **Mr. Thielman** also discussed the methods of records storage with microfilm being the industry standard.

**REP. LINDEEN** and **Mr. Thielman** discussed: the 5% matching funds for the Help America Vote Act, the make-up of the 20 person advisory committee that puts together election plans, and operating costs. **Greg DeWitt, LFD**, clarified office equipment purchases for REP. LINDEEN.

A handout was given to the committee members outlining the Secretary of State 2005 Biennium Budget Request and it was explained by **Mr. Thielman**.

**EXHIBIT(jgh24a03)**

**SEN. COONEY** and **Mr. Thielman** discussed the reduction of fees for the Secretary of State's services and adjustments that have caused less revenue generation.

*{Tape: 2; Side: A; Approx. Time Counter: 0 - 5}*

**Mr. Theilman** explained how the Secretary of State's budget does not break even in Fiscal Year 2004 and in Fiscal Year 2005. **SEN. LAIBLE** had **Mr. Theilman** address the computer systems value and depreciation schedule. **CHAIRMAN BRUEGGEMAN** initiated moving into executive action with respect to the Secretary of State's Office.

Secretary of State - Executive Action

**Motion/Vote:** **SEN. BARKUS** moved TO APPROVE THE LANGUAGE FOR \$750,000 STATE SPECIAL REVENUE AND \$20,000,000 IN FEDERAL SPECIAL REVENUE FOR THE HELP AMERICA VOTE ACT BE ADOPTED. Motion carried 6-0 by saying aye.

*{Tape: 2; Side: A; Approx. Time Counter: 5 - 20}*

**Linda Vaughey, Office of Political Practices**, provided the committee a handout, as did LFD staff Lynn Zanto. She explained the front page of Exhibit 5 which shows the mission statement and history of the Commissioner of Political Practices. She talked of complaints received on alleged violations of campaign practices and related political disclosures, and the handling of them (Reference Pages 1 and 4-14 of Exhibit 5). She addressed ongoing LFD issues with the revenue collected by the agency. Page 2 of Exhibit 5 shows lobbying activity and revenues. **Ms. Vaughey** said lobbyists currently pay a \$150 license fee, she added \$500,000 collected annually goes into the general fund. She stated that 95% of what the agency does is in the area of campaign finances and practices. When looking to reduce costs as requested by the OBPP, they took a \$60,000 reduction and asked their clientele to access information that used to be sent out via the internet.

**EXHIBIT(jgh24a04)**

**EXHIBIT(jgh24a05)**

**Ms. Vaughey** gave a comparison through the last four years in issuing decisions relative to legal investigations. The Commissioner of Political Practices is under contract with the Department of Justice (DOJ) and uses a civil investigator from there. An outside contractor takes over some of the overload. She stated the time spent on any one decision is directly impacted by

the DOJ workload, the number of people involved in the complaint, and its complexities. She referred to Page 5 of Exhibit 5 which shows the most recent filings from city elections to indicate the number of investigations already pending. In 2002 problems arose as the amount of filings outpaced the Commissioners ability to handle them in a timely manner, so they had to decide to make decisions in the order filed (Reference Pages 6-11 of Exhibit 5). **Ms. Vaughey** concluded that Pages 12-14 of her handout show the Commissioner of Political Practices goals and objectives. She also spoke to the one DP in their budget proposal as being a savings.

*{Tape: 2; Side: A; Approx. Time Counter: 20 - 30}*

**Questions from Committee Members and Responses:**

**CHAIRMAN BRUEGGEMAN** and **SEN COONEY** discussed filing fees with **Ms. Vaughey** that are designed to help the Commissioner of Political Practices office run more efficiently.

**Administrative Officer, Dulcy Hubbert**, explained the make-up of \$43,000 in personal services to **SEN. LAIBLE**. It consists of vacancy savings and the switch to a broadband pay plan. **Christy Moyer, OBPP**, spoke to the money being a net reduction. **Lynn Zanto, LFD**, commented as well for further clarification.

**SEN COONEY** made comments in support of the office and the importance of its funding.

*{Tape: 2; Side: B; Approx. Time Counter: 0 - 20}*

**Ms. Vaughey** revisited her concerns about the length of time it takes to take action on filed complaints due to their amount and the current system. **SEN. BARKUS** thanked the Commissioner of Political Practices from his experience with them as a freshman legislator. **Ms. Vaughey** clarified for **SEN. LAIBLE** that of late the lobbyist fee for two years registration has gone up by \$100 to go into the broadcast fund for legislators. She also went over the expenditure figures on Page 2 of Exhibit 5 for his understanding. **SEN. LAIBLE** asked if there are any fees for the required work the office does for the counties, and there are not.

**Executive Action on the Commissioner of Political Practices**

**Motion/Vote:** **SEN. LAIBLE** moved that the **FISCAL 2002 BASE FOR ALL FUNDING EXCEPT THE GENERAL FUND AND STATEWIDE PRESENT LAW**

**ADJUSTMENTS AS REQUESTED FOR ALL FUNDS BE ADOPTED. Motion carried 6-0 by saying aye.**

New Proposals

**Motion/Vote: SEN. BARKUS moved that DP 1 ELIMINATE POSITION AND ONGOING REDUCTIONS BE ADOPTED. Motion carried 6-0 by saying aye.**

**Lynn Zanto, LFD,** referred the committee to the budget sheet (Exhibit 4) and explained what their motion did with respect to the numbers, leaving \$5,784 and \$396 in unspecified reductions. **REP. LINDEEN** spoke to clarify, and **Christy Moyer, OBPP,** indicated that the agency has done the maximum 10% reduction by the Governor's Office.

**Motion/Vote: REP. LINDEEN moved TO ADD \$6,180 BACK INTO THE COMMISSIONER OF POLITICAL PRACTICES BUDGET BE ADOPTED. Motion carried 6-0 by saying aye.**

Chiropractic Legal Panel

Note: No one from the panel was present.

**Amy Sassano, OBPP,** explained the reasoning behind this agency being part of the subcommittee's agenda is due to a technicality in statute. They are not a state agency, but are audited like one and their budget is based solely on whether or not they get complaints.

Executive Action

**Motion/Vote: REP. SINRUD moved TO REQUEST A COMMITTEE BILL TO TAKE THE CHIROPRACTIC LEGAL PANEL OFF THE STATE BUDGET BE ADOPTED. Motion carried 6-0 by saying aye.**

**Motion/Vote: SEN. COONEY moved that DP 1 OPERATING ADJUSTMENT BE ADOPTED. Motion carried 6-0 by saying aye.**

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**ADJOURNMENT**

Adjournment: 10:30 A.M.

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REP. JOHN BRUEGGEMAN, Chairman

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MISTY SHEA, Secretary

JB/MS

**EXHIBIT** (jgh24aad)